

# NORD-ASKI REGION

COVID – 19 BUSINESS IMPACT SURVEY RESULTS

## IMPACT OF COVID-19 ON BUSINESS OPERATIONS AND ON THE WORKFORCE

July 31, 2020



# INTRODUCTION

This report contains the results of the July COVID-19 Business Impact Survey conducted by the Far Northeast Training Board in partnership with Nord-Aski Regional Economic Development Corporation, Hearst Economic Development, and Hornepayne Economic Development Corporation.

The July survey was conducted between July 10 and 22. Because it was optional for survey respondents to indicate the name of their company or organization, comparing the results of the questions posed in the July survey with the responses to those questions from the surveys that were conducted in April and in May is challenging. We know however that 58% of those who responded to the July survey had also participated in the April survey, and that 62% of them had also responded in May.

The following should therefore not be interpreted as a comparative analysis but rather as general observations based on the responses to some of the key questions asked in April, in May and in July, recognizing that those responses are reflective of the relevance of the questions to the participating businesses and organizations.

It is also important to note the timing of the release of the surveys. The April survey was launched one week after the state of emergency was announced at which time all non-essential businesses were required to close. When the May survey was released, the emergency measures had been in place for just over one month, the Ontario government had just announced a stage-by-stage approach to loosening those emergency measures, and the stage one reopening of certain businesses. At the time of the July survey, many businesses and organizations had, or were slowly reopening according to the Ontario government's requirements and guidelines.

# WHO ANSWERED THE SURVEY?

## RESPONDENTS BY INDUSTRY

	APRIL	MAY	JULY
Agriculture, Forestry, Fishing and Hunting	18	7	8
Mining, Quarrying or Oil & Gas Extraction	2	0	0
Utilities	8	3	0
Construction	6	4	1
Manufacturing	6	3	2
Retail trade	18	12	21
Transportation and Warehousing	7	4	2
Information and Cultural Industries	4	1	0
Finance and Insurance	3	1	0
Real Estate and Rental & Leasing	5	0	0
Professional, Scientific and Technical Services	5	3	1
Administration & Support, Waste Management and Remediation Services	5	0	0
Educational Services	7	6	1
Healthcare and Social Assistance	5	3	3
Arts, Entertainment and Recreation	5	3	0
Accommodation and Food Services	8	7	4
Tourism	0	0	7
Public Administration	4	3	3
Other: Franco culture, travel agency, automotive repairs, firewood, recycling used goods.			

## RESPONDENTS BY TYPE OF BUSINESS/ORGANIZATION

	APRIL	MAY	JULY
Number of businesses	69	48	33
Private	62%	75%	79%
Public	23%	15%	12%
Not-for-profit	16%	10%	9%

## RESPONDING BUSINESSES/ORGANIZATIONS BY NUMBER OF EMPLOYEES

	APRIL	MAY	JULY
0 – employees	16	7	4
1 – 19 employees	44	27	25
20 – 49 employees	2	8	2
50 – 99 employees	2	3	1
100+ employers	1	2	1

*Please note that some totals may not add up due to rounding and respondents who provided multiple answers to certain questions.*

# Impact of COVID – 19 on OPERATIONS


	APRIL	MAY	JULY
<b>HIGH</b> This could put us out of business	29%	23%	15%
<b>MEDIUM</b> This is going to significantly impact our finances	46%	35%	34%
<b>LOW</b> This may impact us financially but we are confident that we could weather the storm.	25%	40%	41%
<b>NONE</b>	1%	2%	9%

## OBSERVATIONS:

The decreasing percentage of businesses and organizations that rated the risk of COVID-19 as high, as well as the increasing percentage of those that indicate low or no risk is likely indicative of their capacity to adjust, over time to the situation as it evolves.

Between the end of March, at which time the government announced the emergency measures and required that all non-essential businesses close, and the July survey at which time Stage 3 reopening was possible, businesses and organizations have a better understanding of the actual impact of COVID-19 on their operations and that seems to be reflected in their answers to this question.

# ESTIMATED FINANCIAL LOSS SINCE THE BEGINNING OF COVID-19



	APRIL	MAY	JULY
Number of businesses	44	46	31
\$20,000	46%	50%	29%
\$20,000 to \$50,000	34%	24%	39%
\$50,000 to \$100,000	11%	4%	16%
\$100,000 to \$500,000	18%	0%	13%
\$500,000 to \$1,000,000		0%	3%
\$1,000,000 or more		0%	0%

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## OBSERVATIONS:

The financial impact is also reflective of the time lapse since the beginning of COVID-19. During that period, businesses and organizations would have had time to somewhat adjust to the situation. As businesses and organizations were eligible to reopen, their focus was on getting ready to resume their operations and perhaps they were not quite sure of the extent of the losses incurred as a result of COVID-19.

The lower number of responses to this question over time is also likely attributable to the evolving situation.

## WHAT ADDITIONAL IMPACTS HAVE YOU EXPERIENCED?

	APRIL	MAY	JULY
Number of respondents	69	48	33
No impact	12%	20%	6%
We reduced our hours, staff, and operations.	38%	48%	29%
We are open and operating with reduced hours.	39%	43%	26%
Our physical location is closed but we offer our products/service by telephone.	54%	49%	12%
Our physical location is closed but we offer our products/service online.	30%	29%	12%
We closed our business temporarily.	39%	35%	18%
We closed our business permanently.	1%	0%	0%
Our supply chain is interrupted.	29%	27%	29%
We had to cancel contracts.	32%	17%	9%
We've had contracts cancelled.	13%	27%	18%
We are having to restrict spending because of uncertainty.	65%	58%	38%
We experience a decrease in sales (donations if not-for-profit).	52%	54%	12%
We increased cleaning and sanitation at our office/facility.	48%	48%	59%

## OBSERVATIONS:

The decrease in the percentage of businesses operating with reduced hours could result from some of them reopening.

The percentage of respondents who indicate that they are restricting spending because of the uncertainty and those who indicated that they had experienced a decrease in revenue seem more positive over time which might point again to reopening and adjusting to the situation.

Changes in regards to contract cancellations, whether businesses cancelling contracts or experiencing others cancelling contracts with them are hard to assess. Are the changes due to fewer cancellations, or are there no contracts left to cancel?

# HIRING NEEDS

## IF YOUR BUSINESS/ORGANIZATION IS OPEN, ARE YOU CURRENTLY HIRING?

	MAY	JULY
Number of responses	47	33
Yes	19%	21%
No	81%	79%

## IF YES FOR WHICH OCCUPATIONS

MAY	JULY
Summer students – public works, cooks, cashiers, meat department, carry out, financial advisor business electrician and electrician apprentice, seasonal workers.	Truck drivers, operators, part-time nurses, nurses aids, personal support workers, associate at reception, associate re: cleaning, doctors.

## OBSERVATIONS:

The gradual reopening of some businesses and organizations doesn't seem to have yet had an impact on hiring.

In terms of the occupations for which businesses are hiring, there is a range of opportunities in both May and July.

Since the announcement of Stage 3 reopening was made as the July survey was being conducted, we could expect an increase in the future in the percentage of businesses and organizations that are hiring as those businesses and organizations resume their operations.

# GOVERNMENT PROGRAMS

## HAS YOUR BUSINESS APPLIED FOR GOVERNMENT SUPPORTS AS A RESULT OF COVID-19?

**May**

**48%**

**Yes**

**52%**

**No**

44 responses

**July**

**63%**

**Yes**

**37%**

**No**

32 responses

## IF NO, PLEASE INDICATE WHY YOU HAVE NOT APPLIED

	<b>MAY</b>	<b>JULY</b>
Number of responses	25	12
No need at this time	12	3
Do not qualify	16	9

## IF YES, PLEASE INDICATE WHICH PROGRAM YOU APPLIED FOR.

<b>MAY</b>	<b>JULY</b>
Canada Emergency Relief Benefit (CERB) – 6	Canada Emergency Relief Benefit (CERB) – 5
Canada Emergency Wage Subsidy (CEWS) – 8	Canada Emergency Wage Subsidy (CEWS/10% subsidy) – 4
Canada Emergency Business Assistance (CEBA) – 8	Business Loan (CEBA, CFDC) – 12

## PLEASE INDICATE WHICH PROGRAM YOU HAVE BEEN APPROVED FOR.

<b>MAY</b>	<b>JULY</b>
Canada Emergency Relief Benefit (CERB) – 4	Canada Emergency Relief Benefit (CERB) – 4
Canada Emergency Wage Subsidy (CEWS) – 4	Canada Emergency Wage Subsidy (CEWS/10% subsidy) – 4
Canada Emergency Business Assistance (CEBA) – 7	Business Loan (CEBA, CFDC) – 4



# GOVERNMENT PROGRAMS

## RESPONDENTS' COMMENTS OR SUGGESTIONS ON WHAT WOULD HELP THEM BETTER UNDERSTAND THE GOVERNMENT PROGRAM GUIDELINES AND APPLICATION PROCESS:

- The CEBA program will actually put our business in more debt than it can afford in the future.
- All good. Very easy and fast. (9)
- Easy enough but changes.
- Welcome assistance. Eligibility criteria were easy to understand and application process was easy to follow.
- Take 10% off of our gross payroll then make deductions off of payroll remittance.
- Difficult process to apply, needed to be registered online for a my CRA Business Account. Lots of red tape.
- A few problems to fully understand the program.
- Complicated.
- Unable to access an agent to finalize a wage subsidy application.

# GOVERNMENT GUIDELINES FOR RE OPENING

**At this time, are you eligible to reopen under the government guidelines?**

	July
Number of responses	28
Yes	100%
No	0%

**Has your business/organization reopened?**

	July
Number of responses	28
Yes	82%
No	18%



**What do you estimate the cost to be for you to comply with the proposed guidelines and measures for reopening?**

	May	July
Number of responses to this questions	38	28
\$0 – measures already in place	5%	32%
Under \$5,000	16%	46%
\$5,000 to \$10,000	68%	7%
\$10,000 to \$25,000	8%	14%
\$25,000 to \$50,000	0%	0%
\$50,000 or more	3%	0%

## OBSERVATIONS:

The lower percentage of respondents who have reopened compared to those who are eligible to reopen could be attributable to the following:

- Stage 3 reopening was announced as the July survey was being conducted therefore some businesses and organizations had not yet reopened.
- Some businesses or organizations might chose to remain closed if reopening is not a viable option for them.

**Please indicate challenges or barriers for your business or organization to comply to the government requirements and guidelines?**

	May	July
Total number of responses to this question	41	29
The measures required limit our capacity and as result, it is not profitable for us to reopen.		14%
The proposed measures are already in place within our company or organization.	39%	48%
Not enough room for us to meet distancing guidelines for employees.	10%	0%
The size of our location, and the nature of our work which requires proximity with clients/customers.	27%	28%
Staffing – we lost some of our staff and will have to recruit and train new staff.	5%	10%
Cost – we will have to purchase PPE and rearrange workspace when we are experiencing a decrease in revenue.	39%	45%
Applying the guidelines will not be a problem for our business/organization.	24%	34%
Other (please specify): <ul style="list-style-type: none"> <li>• Still have no customers with US border closed.</li> <li>• We are operating but have not reopened doors to the public due to logistics of ensuring safety measures that will safeguard employees.</li> <li>• Staff are unable to come to work due to lack of childcare options.</li> </ul>		

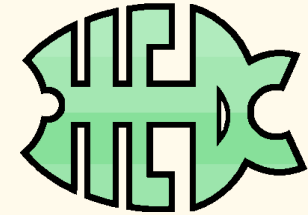
## If you have reopened, what additional impacts are you experiencing?

	July
Total number of responses to this question	22
We have trouble accessing the required personal protection equipment.	4
We have trouble finding the workers that we need as we reopen.	1
Clients/customers are not coming back as much as we expected.	5
It is difficult to meet the increase demand since reopening.	6
<p>Other (please specify):</p> <ul style="list-style-type: none"> <li>• US border remains closed which is 95% of our business. The 4% of Canadians are cancelling due to fear of travelling. Canadians are not our market.</li> <li>• Pay rate for processing logs has decreased.</li> <li>• The process of cleaning between clients is making it hard to serve our clients in a timely manner.</li> <li>• Staff is nervous.</li> <li>• Some clients do not understand the importance of the protection measures.</li> <li>• Our business requires advance registration by season.</li> </ul>	

## **What resources, support or information would you need to assist at this time and as we move forward with the stage-by-stage reopening?**

- Money to pay insurance and fixed bills. Loan deferrals until next spring. Even if border opens in August and we start to have Canadians look at Northern Ontario for travel, it's too late. One month left for the best part of the season, two if we are lucky.
- Nothing at the moment. We have reopened on June 1<sup>st</sup>.
- Some kind of renovation and interaction protocol in an office that does not have a front counter to serve the public.
- Childcare, personal protective equipment.
- Free local advertisement from media to promote reopening.
- Funding to replace monies spent on COVID-19 – extra work, meetings, PPE, engineering.
- Government assistance to recover the months that we lost and for which we still have to make payments.
- The information we need (during the pandemic) is unfortunately not available. We are in a period of uncertainty which makes decision-making and planning difficult.

# Partners involved in conducting the survey



FAR NORTHEAST TRAINING BOARD (FNETB)  
your Local Employment Planning Council

COMMISSION DE FORMATION DU NORD-EST (CFNE)  
votre Conseil Local de Planification de l'Emploi



Hornepayne Economic  
Development

Provincial government support for businesses

<https://www.ontario.ca/page/covid-19-support-businesses>

Federal government support for businesses

<https://www.canada.ca/en/departement-finance/news/2020/04/canadas-covid-19-economic-response-plan-new-support-to-protect-canadian-jobs.html>

FedNor Regional Relief and Recovery Fund

[http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h\\_07682.html](http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_07682.html)

Town of Hearst COVID-19 information

<https://www.hearst.ca/en/covid-19/>

Township of Hornepayne

[https://www.townshipofhornepayne.ca/news/what\\_s\\_new/coronavirus\\_facts](https://www.townshipofhornepayne.ca/news/what_s_new/coronavirus_facts)

Constance Lake First Nation

<http://clfn.on.ca/>

Municipality of Mattice Val-Côté

[https://www.facebook.com/MunicipaliteC3%A9-de-Municipality-of-Mattice-Val-C%3%B4t%C3%A9-551835745193547/?epa=SEARCH\\_BOX](https://www.facebook.com/MunicipaliteC3%A9-de-Municipality-of-Mattice-Val-C%3%B4t%C3%A9-551835745193547/?epa=SEARCH_BOX)